



United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, N.W.
Washington, DC 20240

JUL 27 2012

Re: Philadelphia Navy Yard, Building 3 (Iron Plating Building), Flagship Drive and South Broad Street, Philadelphia, Pennsylvania
Project Number: 25774

Dear

I have concluded my review of your appeal of the decision of Technical Preservation Services (TPS), National Park Service, denying certification of the rehabilitation of the property cited above. The appeal was initiated and conducted in accordance with Department of the Interior regulations (36 CFR Part 67) governing certifications for Federal income tax incentives for historic preservation as specified in the Internal Revenue Code. I thank _____ for meeting with me in Washington on April 20, 2012, and for providing a detailed account of the project.

After careful review of the complete record for this project, including the additional documentation sent by _____ following our meeting, I have determined that the rehabilitation of Building 3 is not consistent with the historic character of the property and the historic district in which it is located, and that the project does not meet Standards 1, 2, and 5, of the Secretary of the Interior's Standards for Rehabilitation (the Standards). Therefore, the denial issued on March 5, 2012, by TPS is hereby affirmed.

Building 3 is located in the former Philadelphia Navy Yard. It was certified as contributing to the significance of the historic district on March 23, 2011. The proposed rehabilitation of this "certified historic structure" was found by TPS not to meet the Standards owing to the planned insertion of a mezzanine and to several exterior changes.

With regard to the exterior changes, the issues cited by TPS played no part in my decision, either because they have been modified from the initial application so as to be acceptable (such as the planned infill of two bays, one on each of two elevations); because new historic photographs provided to me for this review show that the treatment is justified (such as the insertion of a new raised skylight in place of the historic monitor for which no evidence was available to TPS), or because the explanations offered at our meeting with respect to drawings and statements in the application led me to conclude that the new elements will not alter the building's roofline (such as the low-lying "green roof trays" and replacement HVAC equipment).

With regard to the new mezzanine, I agree with TPS that it is simply too big. The principal character defining feature of the interior is the large, tall, unbroken volume of the central space, defined along its length by arcaded side walls that provide access into the lower side aisles. The proposed mezzanine will extend nearly the full length and breadth of this central space and thus will appear more as a second floor than an inserted mezzanine. The central space was essential to the travel of the 7½ ton capacity bridge crane that lifted and moved large steel plates within the building. The space both arose from the essential

historic purpose of the building, and in turn defined it. By obscuring this space so thoroughly, the new mezzanine diminishes the physical expression of the building's very *raison d'être*. Furthermore, the structural beams supporting the mezzanine bear on the side walls in a manner that will further compromise this character defining feature. As a result, I have determined that the proposed mezzanine contravenes Standards 1, 2, and 5. Standard 1 states, "*A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.*" Standard 2 states: "*The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.*" Standard 5 states: "*Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.*" I have further determined that this change in character is so substantial that it causes the overall impact of the rehabilitation to fail to meet the Standards.

As Department of the Interior regulations state, my decision is the final administrative decision with respect to the March 5, 2012, denial that TPS issued regarding rehabilitation certification. A copy of this decision will be provided to the Internal Revenue Service. Questions concerning specific tax consequences of this decision or interpretations of the Internal Revenue Code should be addressed to the appropriate office of the Internal Revenue Service.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Burns", with a stylized, flowing script.

John A. Burns, FAIA
Chief Appeals Officer
Cultural Resources

cc: SHPO-PA
IRS